



AGRICULTURE, AQUACULTURE & FISHING SECTOR ALERT

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INCORPORATING
KIETI LAW LLP, KENYA

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Agriculture and Agro-processing Master Plan: Signed, sealed and to be delivered

On 12 May 2022, just ahead of Minister Didiza delivering the Agriculture, Land Reform and Rural Development budget vote speech for 2022/23, the Agriculture and Agro-processing Master Plan (AAMP) was signed with social partners after two years of rigorous engagements and consultations between Government, business, labour and civil society organisations in the agriculture and agro-processing sectors.

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Agriculture and Agro-processing Master Plan: Signed, sealed and to be delivered

On 12 May 2022, just ahead of Minister Didiza delivering the Agriculture, Land Reform and Rural Development budget vote speech for 2022/23, the Agriculture and Agro-processing Master Plan (AAMP) was signed with social partners after two years of rigorous engagements and consultations between Government, business, labour and civil society organisations in the agriculture and agro-processing sectors.

Although the development of the AAMP was kick-started in June 2020, the AAMP is a culmination of policies, strategies and other works that the Department of Agriculture, Land Reform and Rural Development (DALRRD) has been working on from 2001 when it first developed the Strategic Plan for South Africa's agricultural sector, Operation Phakisa and the National Development Plan. The AAMP essentially consolidates all of the elements from previous plans, but with a specific focus on elements which were not successfully implemented previously.

The National Agricultural Marketing Council was responsible for co-ordinating the AAMP on behalf of the DALRRD and, together with the Bureau for Food and Agricultural Policy, drafted the initial concept document that was used as a basis for the engagements between social partners. The stakeholders and social partners included, amongst others, the South African Grain Farmers Association, the Grain Farmer Development Association,

the South African Sugar Association, the South African Pork Producers Organization, the South African Poultry Producers Association National Emergent Red Meat Producers and Mohair.

SIX MAIN PILLARS

The AAMP, having been co-signed by Government and representatives of various business and civil society organisations in the agriculture sector, has been labelled a social compact as stakeholders and social partners have committed to all work towards the attainment and achievement of the goals of the AAMP. The AAMP is the first multi-stakeholder process and strategic plan to have commodity-specific transformation targets, jobs, exports, investments and growth rates. It includes a list of targeted interventions needed in the livestock, field crops, horticultural and agro-processing subsectors and more broadly focuses on commercial land reform in rural areas to increase food production, and on farmers'

infrastructure. In particular, its six main pillars are:

1. Resolving policy ambiguities and creating an investment-friendly environment
2. Investing in, and maintaining enabling infrastructure critical to the industry, such as electricity, roads, rail and ports
3. Providing comprehensive farmer assistance, development finance, agricultural research and development and extension services
4. Improving food security, increasing production and employment and ensuring decency and inclusivity
5. Facilitating market expansion, improving market access, and promoting trade
6. Improving localised food production, reducing imports and expanding agro-processing exports

Agriculture and Agro-processing Master Plan: Signed, sealed and to be delivered

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In the realisation of these goals, the AAMP sets out targeted commitments by social partners, namely Government, businesses, and labour and communities, guided by the following high-level principles, amongst others:

Government

- Implementation of policy and equitable access to natural resources
- Creating enabling infrastructure and produce support and increasing transformation and inclusivity in the sector

Business

- Stimulating investments and inclusive growth
- Building strong export and market access capacity
- Improving sector competitiveness and state capacity
- Increasing agro-processing and imports

Labour and communities

- Employment creation
- Promoting worker equity and ownership
- Social dialogue
- Skills and upward mobility for workers

An example of one of the transformation interventions tabled into the AAMP is the requirement for retailers and supermarkets to allocate a minimum of 3% of their net profit to supplier development programmes for black farmers and black-owned farming businesses. The successful implementation of the AAMP can potentially lead to an increase of 20% of black farmers in overall production by 2030.

In 2021, the South African agriculture, forestry and fishing industry contributed nearly R129 billion added value and the AAMP proposes to grow the sector's output by R32 billion by 2030, representing almost 25% growth in the next decade.

The signing of the AAMP signals the closing off of the first phase of the process. The successful implementation of the AAMP will require further engagements with, and the commitment of, all relevant stakeholders. Next steps will include provincial sessions held by the DALRRD and the private sector with the view of communicating the policy document to ensure a common understanding of the interventions outlined in it and the allocation of responsibilities.

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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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